

PREVAILED

Roll Call No. \_\_\_\_\_

FAILED

Ayes \_\_\_\_\_

WITHDRAWN

Noes \_\_\_\_\_

RULED OUT OF ORDER

## HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that Engrossed Senate Bill 512 be amended to read as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 6-3.5-1.1-15 IS AMENDED TO READ AS
- 4 FOLLOWS [EFFECTIVE APRIL 1, 2005 (RETROACTIVE)]: Sec.
- 5 15. (a) As used in this section, "attributed levy" of a civil taxing unit
- 6 means the sum of:
- 7 (1) the ad valorem property tax levy of the civil taxing unit that is
- 8 currently being collected at the time the allocation is made; plus
- 9 (2) the current ad valorem property tax levy of any special taxing
- 10 district, authority, board, or other entity formed to discharge
- 11 governmental services or functions on behalf of or ordinarily
- 12 attributable to the civil taxing unit; plus
- 13 (3) the amount of federal revenue sharing funds and certified
- 14 shares that were used by the civil taxing unit (or any special
- 15 taxing district, authority, board, or other entity formed to
- 16 discharge governmental services or functions on behalf of or
- 17 ordinarily attributable to the civil taxing unit) to reduce its ad
- 18 valorem property tax levies below the limits imposed by
- 19 IC 6-1.1-18.5; plus
- 20 (4) in the case of a county, an amount equal to the property taxes
- 21 imposed by the county in 1999 for the county's welfare fund and
- 22 welfare administration fund; **minus**
- 23 **(5) in the case of a municipality, an amount equal to the**
- 24 **property taxes imposed by the municipality in territory**
- 25 **annexed by the municipality in an annexation initiated after**

**March 31, 2005.**

(b) The part of a county's certified distribution that is to be used as certified shares shall be allocated only among the county's civil taxing units. Each civil taxing unit of a county is entitled to receive a percentage of the certified shares to be distributed in the county equal to the ratio of its attributed levy to the total attributed levies of all civil taxing units of the county.

(c) The local government tax control board established by IC 6-1.1-18.5-11 shall determine the attributed levies of civil taxing units that are entitled to receive certified shares during a calendar year. If the ad valorem property tax levy of any special taxing district, authority, board, or other entity is attributed to another civil taxing unit under subsection (b)(2), then the special taxing district, authority, board, or other entity shall not be treated as having an attributed levy of its own. The local government tax control board shall certify the attributed levy amounts to the appropriate county auditor. The county auditor shall then allocate the certified shares among the civil taxing units of the auditor's county.

(d) Certified shares received by a civil taxing unit shall be treated as additional revenue for the purpose of fixing its budget for the calendar year during which the certified shares will be received. The certified shares may be allocated to or appropriated for any purpose, including property tax relief or a transfer of funds to another civil taxing unit whose levy was attributed to the civil taxing unit in the determination of its attributed levy.

SECTION 2. IC 6-3.5-6-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2005 (RETROACTIVE)]: Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

- (1) replace the amount, if any, of property tax revenue lost due to the allowance of an increased homestead credit within the county;
- (2) fund the operation of a public communications system and computer facilities district as provided in an election, if any, made by the county fiscal body under IC 36-8-15-19(b);
- (3) fund the operation of a public transportation corporation as provided in an election, if any, made by the county fiscal body under IC 36-9-4-42;
- (4) make payments permitted under IC 36-7-15.1-17.5;
- (5) make payments permitted under subsection (i); and
- (6) make distributions of distributive shares to the civil taxing units of a county.

(b) The county auditor shall retain from the payments of the county's certified distribution, an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. This money shall be distributed to the civil taxing units and school corporations of the county as though they were property tax collections and in such a manner that no civil taxing unit or school corporation shall suffer a net

revenue loss due to the allowance of an increased homestead credit.

(c) The county auditor shall retain the amount, if any, specified by the county fiscal body for a particular calendar year under subsection (i), IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified distribution for that same calendar year. The county auditor shall distribute amounts retained under this subsection to the county.

(d) All certified distribution revenues that are not retained and distributed under subsections (b) and (c) shall be distributed to the civil taxing units of the county as distributive shares.

(e) The amount of distributive shares that each civil taxing unit in a county is entitled to receive during a month equals the product of the following:

(1) The amount of revenue that is to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the total property taxes that are first due and payable to the civil taxing unit during the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund, **and minus, for a municipality, an amount equal to the property taxes imposed by the municipality in territory annexed by the municipality in an annexation initiated after March 31, 2005.** The denominator of the fraction equals the sum of the total property taxes that are first due and payable to all civil taxing units of the county during the calendar year in which the month falls, plus an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund, **and minus an amount equal to the property taxes imposed by municipalities in territory annexed by the municipalities in annexations initiated after March 31, 2005.**

(f) The department of local government finance shall provide each county auditor with the fractional amount of distributive shares that each civil taxing unit in the auditor's county is entitled to receive monthly under this section.

(g) Notwithstanding subsection (e), if a civil taxing unit of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which distributive shares are being distributed under this section, that civil taxing unit is entitled to receive a part of the revenue to be distributed as distributive shares under this section within the county. The fractional amount such a civil taxing unit is entitled to receive each month during that calendar year equals the product of the following:

(1) The amount to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the budget of

that civil taxing unit for that calendar year. The denominator of the fraction equals the aggregate budgets of all civil taxing units of that county for that calendar year.

(h) If for a calendar year a civil taxing unit is allocated a part of a county's distributive shares by subsection (g), then the formula used in subsection (e) to determine all other civil taxing units' distributive shares shall be changed each month for that same year by reducing the amount to be distributed as distributive shares under subsection (e) by the amount of distributive shares allocated under subsection (g) for that same month. The department of local government finance shall make any adjustments required by this subsection and provide them to the appropriate county auditors.

(i) Notwithstanding any other law, a county fiscal body may pledge revenues received under this chapter to the payment of bonds or lease rentals to finance a qualified economic development tax project under IC 36-7-27 in that county or in any other county if the county fiscal body determines that the project will promote significant opportunities for the gainful employment or retention of employment of the county's residents.

SECTION 3. IC 6-3.5-7-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2005 (RETROACTIVE)]: Sec. 12. (a) Except as provided in sections 23, 25, 26, and 27 of this chapter, the county auditor shall distribute in the manner specified in this section the certified distribution to the county.

(b) Except as provided in subsections (c) and (h) and sections 15 and 25 of this chapter, the amount of the certified distribution that the county and each city or town in a county is entitled to receive during May and November of each year equals the product of the following:

(1) The amount of the certified distribution for that month; multiplied by

(2) A fraction. The numerator of the fraction equals the sum of the following:

(A) Total property taxes that are first due and payable to the county, city, or town during the calendar year in which the month falls; plus

(B) For a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; **minus**

**(C) For a city or town, an amount equal to the property taxes imposed by the city or town in territory annexed by the city or town in an annexation initiated after March 31, 2005.**

The denominator of the fraction equals the sum of the total property taxes that are first due and payable to the county and all cities and towns of the county during the calendar year in which the month falls, plus an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and

1 welfare administration fund, **and minus an amount equal to the**  
 2 **property taxes imposed by cities and towns in territory**  
 3 **annexed by the cities and towns in annexations initiated after**  
 4 **March 31, 2005.**

5 (c) This subsection applies to a county council or county income tax  
 6 council that imposes a tax under this chapter after June 1, 1992. The  
 7 body imposing the tax may adopt an ordinance before July 1 of a year  
 8 to provide for the distribution of certified distributions under this  
 9 subsection instead of a distribution under subsection (b). The following  
 10 apply if an ordinance is adopted under this subsection:

11 (1) The ordinance is effective January 1 of the following year.

12 (2) Except as provided in sections 25 and 26 of this chapter, the  
 13 amount of the certified distribution that the county and each city  
 14 and town in the county is entitled to receive during May and  
 15 November of each year equals the product of:

16 (A) the amount of the certified distribution for the month;  
 17 multiplied by

18 (B) a fraction. For a city or town, the numerator of the fraction  
 19 equals the population of the city or the town, **minus an**  
 20 **amount equal to the population of the city or town in**  
 21 **territory annexed by the city or town in an annexation**  
 22 **initiated after March 31, 2005.** For a county, the numerator  
 23 of the fraction equals the population of the part of the county  
 24 that is not located in a city or town, **plus an amount equal to**  
 25 **the population of a city or town in territory annexed by the**  
 26 **city or town in an annexation initiated after March 31,**  
 27 **2005.** The denominator of the fraction equals the sum of the  
 28 population of all cities and towns located in the county and the  
 29 population of the part of the county that is not located in a city  
 30 or town.

31 (3) The ordinance may be made irrevocable for the duration of  
 32 specified lease rental or debt service payments.

33 (d) The body imposing the tax may not adopt an ordinance under  
 34 subsection (c) if, before the adoption of the proposed ordinance, any of  
 35 the following have pledged the county economic development income  
 36 tax for any purpose permitted by IC 5-1-14 or any other statute:

37 (1) The county.

38 (2) A city or town in the county.

39 (3) A commission, a board, a department, or an authority that is  
 40 authorized by statute to pledge the county economic development  
 41 income tax.

42 (e) The department of local government finance shall provide each  
 43 county auditor with the fractional amount of the certified distribution  
 44 that the county and each city or town in the county is entitled to receive  
 45 under this section.

46 (f) Money received by a county, city, or town under this section  
 47 shall be deposited in the unit's economic development income tax fund.

(g) Except as provided in subsection (b)(2)(B), in determining the fractional amount of the certified distribution the county and its cities and towns are entitled to receive under subsection (b) during a calendar year, the department of local government finance shall consider only property taxes imposed on tangible property subject to assessment in that county.

(h) In a county having a consolidated city, only the consolidated city is entitled to the certified distribution, subject to the requirements of sections 15, 25, and 26 of this chapter."

Page 15, after line 42, begin a new paragraph and insert:

**"SECTION 14. [EFFECTIVE JULY 1, 2005] IC 6-3.5-1.1-15, IC 6-3.5-6-18, and IC 6-3.5-7-12, all as amended by this act, apply to the determination and distribution of certified shares under IC 6-3.5-1.1, distributive shares under IC 6-3.5-6, and certified distributions under IC 6-3.5-7 after December 31, 2005."**

Re-number all SECTIONS consecutively.

(Reference is to ESB 512 as printed March 25, 2005.)

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Representative Thompson